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SUBJECT: ECUADOR: 2009 COUNTRY REPORTS ON TERRORISM

REF: STATE 122733; STATE 109980

11. (U) Embassy submits the narrative in paragraphs 2-9 for the 2009 Country Report on Terrorism:

12. (U) Ecuador's greatest counterterrorism and security challenge remained the presence of Colombian narcotics, criminal and terrorist groups in the northern border region. In order to evade Colombian military operations, these groups, principally the Revolutionary Armed Forces of Colombia (FARC), regularly used Ecuadorian territory for rest, medical aid, weapons and explosives procurement, recuperation, resupply, and training, as well as coca processing and limited planting and production. This involved significant numbers of Ecuadorians and Colombian refugees in northern Ecuador in direct or indirect ways. The extremely difficult terrain along the porous 450-mile border with Colombia, and the lack of adequate licit employment opportunities for Ecuadorians and Colombian refugees in the region, have made the area vulnerable to narcoterrorist influence and created a contraband economy. Some Ecuadorian officials along the border believed that the FARC's economic impact allowed it to buy silence and compliance. Another factor that may deter a stronger stance against the FARC is that the group could carry out reprisals, particularly against the oil industry in the northern region of the country.

13. (U) Ecuador continued its response to this threat, although it still faced constraints on resources and limited capabilities. The Correa Administration, while maintaining the country's traditional with respect to the Colombian conflict, has stated that it opposed armed encroachments of any kind across its borders. Tensions between the governments of Ecuador and Colombia were elevated following the March 2008 Colombian bombing of a FARC camp in Ecuador, which resulted in the killing of the FARC's number two in command Raul Reyes, plus 24 Colombians and one Ecuadorian associated with the FARC. However, the two governments embarked on a path of rapprochement in September and assigned charges d'affaires in November. Although Ecuador-Colombia security mechanisms have been reactivated, reestablishment of full diplomatic ties would be important to making further progress in disrupting and dismantling FARC-associated narcotics traffickers' operations in the region.

14. (U) Ecuador's security forces continued their operations against FARC training and logistical resupply camps along the northern border. The Ecuadorian military continued to increase the number of troops in the north in 2009. Ecuador augmented its security presence in the northern border region in response to persistent

narcotics activity by armed insurgent and criminal groups that had rendered the northern border region particularly vulnerable and dangerous. The GOE increased its emphasis on protection of national sovereignty against illegal armed incursions and improved efforts to counter a perception that Ecuador was not shouldering its burden in fighting drug traffickers along its northern border.

¶15. (U) While GOE security forces increased their presence, the pace of their operations remained roughly the same and level of success against narcoterrorists declined from 2008. The Ecuadorian military reports that it conducted four counterdrug operations at the brigade level, 219 battalion-level operations and 159 patrols that led to the destruction of nine cocaine laboratories, 253 FARC base camps, houses and resupply facilities; the eradication of one hectare of coca; and the confiscation of weapons, communications equipment, and other support equipment.

¶16. (U) The Ecuadorian military's operations netted information on FARC activities and infrastructure both inside and outside of Ecuador, and resulted in the detention of more than 75 narcotics traffickers, the killing of three FARC members and the wounding of seven others during the year. However, insufficient resources, corruption among members of the military and police assigned to the area, the challenging border region terrain (which includes coastal mangrove swamps, the Andes mountains and the Amazon jungle), and a tense bilateral relationship with Colombia since the March 2008 raid made it difficult to thwart cross-border incursions.

¶17. (U) Other terrorist groups present in Ecuador, although less active in the last few years, included the Popular Combatants Group, the Revolutionary Militia of the People, the Marxist-Leninist Party of Ecuador, and the Alfarista Liberation Army.

¶18. (U) The Ecuadorian government continued to strengthen controls over money laundering through the Financial Intelligence Unit (FIU), which it established under a 2005 Money Laundering Law. The FIU improved cooperation with the Anti-Narcotics Police Directorate, the Superintendent of Banks, the courts, and the private banker association to identify suspicious transactions and develop information for the prosecution of cases. An important current emphasis of the FIU is to monitor casinos for money laundering activities. The Prosecutor General fully established a Major Crimes Specialized Unit, which includes a specialized anti-money laundering unit to address the need for the interdiction of passengers and cargo for undeclared currency, and the National Police have set up an anti-money laundering unit to carry out investigations into financial crimes. Ecuador has not criminalized terrorist financing, although the government is reportedly considering adopting counter-terrorism financing legislation.

¶19. (U) Ecuador's judicial institutions remained weak, susceptible to corruption, and heavily backlogged with pending cases. While the military and police made numerous arrests, the judicial system had a poor record of achieving convictions.

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